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**FISCAL IMPACT STATEMENT**

**LS 7422**

**BILL NUMBER: SB 533**

**NOTE PREPARED: Feb 8, 2011**

**BILL AMENDED: Feb 8, 2011**

**SUBJECT:** Design-Build Public Works Projects.

**FIRST AUTHOR:** Sen. Mishler

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) The bill provides that a public agency may not require an offeror to appear in person more than three times before the technical review committee for a design-build contract.

It also provides for a combined request for qualifications and proposals for a public project using design-build contracting if the preliminary estimated cost of the public project is less than \$1M.

The bill provides that a public agency may not issue a request for proposals for a controlled project until certain preliminary procedures requesting application of the petition and remonstrance process are completed.

The bill limits the deliverables required for a qualitative proposal submitted in response to a request for proposals.

It repeals the provision in current law requiring the governing body of a public agency to give prior authorization to use design-build contracting.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** (Revised) The bill could minimally reduce costs for a public agency by removing a requirement that the governing body of a public agency adopt a resolution at a public meeting authorizing use of the design-build contracting method, and, for projects costing less than \$1M, combining the requirement for qualifications and proposal. The bill will have indeterminate fiscal impact on the design-build process by requiring public agencies to complete certain preliminary procedures before issuing

requests for proposal.

(Revised) Background: Under current law, if a public agency authorizes a design-build project, the agency must post a notice of request for qualifications to potential design-builders. For design-build contracts, the public agency must appoint a technical review committee to qualify potential design-builders regardless of price or cost, and rate and score qualitative proposals. Once the technical review committee has completed its work and selected at least three design-builders, the public agency issues a request for proposal to the qualified bidders. A design criteria developer prepares a design criteria package based on the scope and level of detail the public agency requires. Each request for proposal response must contain a design criteria package and be submitted in two parts, a qualitative proposal and a price proposal.

The bill combines the steps of qualifying potential design-builders and receiving bids for projects costing less than \$1M. It reduces the number of days for a potential design-builder to respond to a request for qualifications from 30 days to 14 days, but allows 30 days for a design-builder to respond to a combined request for a project costing less than \$1M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** See *Explanation of State Expenditures*.

**Explanation of Local Revenues:**

**State Agencies Affected:** State agencies (not the Indiana Department of Transportation), educational institutions, bodies corporate and politic.

**Local Agencies Affected:** Civil units, bodies corporate and politic, school corporations.

**Information Sources:**

**Fiscal Analyst:** Karen Firestone, 317-234-2106.